



February 3, 2016

The Honorable Al Pscholka, Chairman
House Committee on Appropriations
State Capitol
Lansing, MI 48909

Dear Mr. Chairman,

Thank you for the opportunity to provide perspective on Senate Bill 476. The American Cancer Society Cancer Action Network, American Heart Association and American Lung Association stand opposed to Senate Bill 476 and urge the legislature to allow the cap on the cigar tax to expire. Based on current estimates, the cap is costing the state as much as \$4 million annually. Money that could be used to improved our crumbling public health system and infrastructure.

Cigars are a public health risk and a leading cause of laryngeal, oral and esophageal cancers. Unfortunately, sales of cigars continue unabated. Michigan kids are now smoking cigars at about the same rate as they are smoking cigarettes. Under the current structure sales of cigars in Michigan has increased. With the increase, the potential increase in cancer continues to grow. We support a common sense tax structure that ensures all cigars, regardless of size, are taxed at rates equivalent to cigarettes.

The amount of tobacco tax that was collected last year was just under \$1 billion, yet the state only invests \$1.6 million in prevention efforts. Enacting a tax that is high enough to deter Michiganders from using a tobacco product can lead to many choosing to quit. However, when different types of tobacco products are taxed at different rates, lower-taxed products are cheaper than they would be if all tobacco products were taxed at an equivalent rate. This tax parity helps reduce tax evasion, generate more revenue, and ensure more tobacco users quit instead of switching to a cheaper product.

Please consider the impact Senate Bill 476 has on Michigan's health. We need to eliminate the cap on the cigar tax rather than allow it to continue in perpetuity. Tobacco use is responsible for one third of all cancers and remains the most preventable cause of death in our state. Please put Michigan first and help us curb cancer and the use of tobacco products and oppose Senate bill 476. Thank you for your consideration in this important matter.

Respectfully,

Andrew R. Schepers
ACSCAN

David Hodgkins
AHA

Shelly Kiser
ALA

c: Members of the House Committee on Appropriations
Peter Ruddell, RWC Advocacy